

# Walmart

## México y Centroamérica



## Company Overview (MSE: Walmex)



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These references only reflect management expectations and are based upon currently available data. Actual results are always subject to future events, risks and uncertainties, which could materially impact the Company's actual performance.

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# History of Walmex



# History: founded in 1958

1958

Aurrerá  
start operations



Superama  
start operations

1959

1964

Vips Restaurants  
start operations



Bodega Aurrerá  
& Suburbia  
start operations

1970

1977

Cifra starts trading  
on the Mexican  
Stock Exchange



# History: Walmart's first international business

1991

Joint venture between Cifra and Wal-Mart Stores, Inc.

**CIFRA**  
&  
**WAL\*MART®**



Walmart Supercenter start operations

1993

1997

Wal-Mart Stores, Inc. acquires majority position in Cifra - Tender offer on the MSE



1999



Introduction of Every Day Low Prices

2003

Walmart de México Foundation created

Fundación **Walmart** México 

# History: “Bodegas” expansion & incorporation of Central America

2004

Mi Bodega start operations



Superama.com.mx  
Online grocery sales pilot

Wal-Mart Stores, Inc.  
acquires 33% of the  
shares of CARHCO  
(Central American Retail  
Holding Company)

2005

2007

License issued  
to operate  
a bank in Mexico



Bodega Aurrerá  
Express expansion

2008

2010

Walmart de México  
acquires  
100% of Walmart  
Centroamérica



Walmart México Walmart  
Centroamérica

# History: Sells its Restaurant Division, the Bank and Suburbia

2011

First Walmart Supercenter in Central America (Honduras)



2014

Walmart de México y Centroamérica sells its restaurant division to Asea



Walmart.com.mx launches

2013

2017

Walmart de México y Centroamérica sells Suburbia to Liverpool

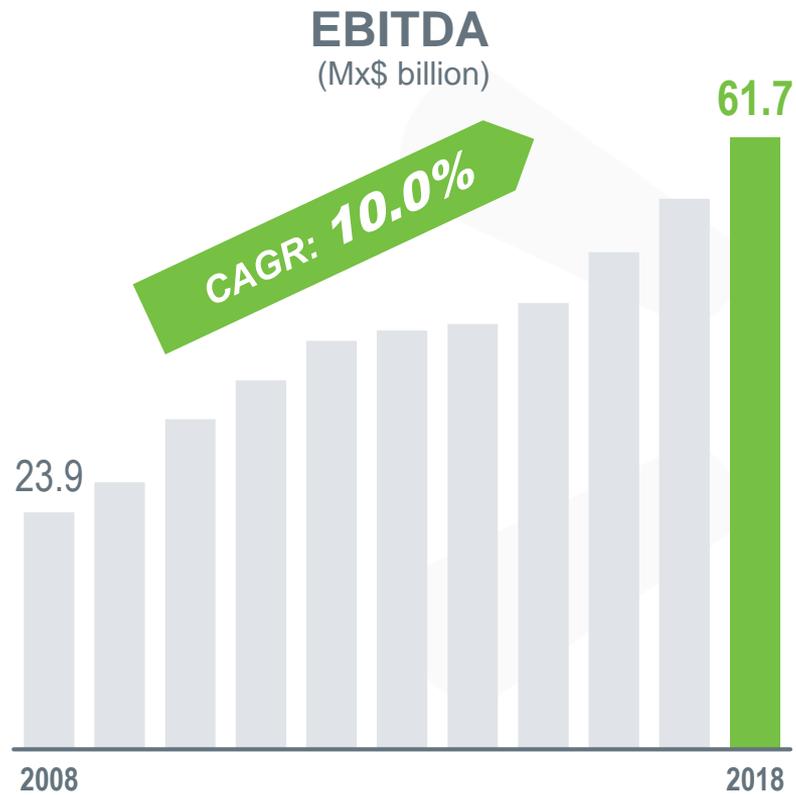
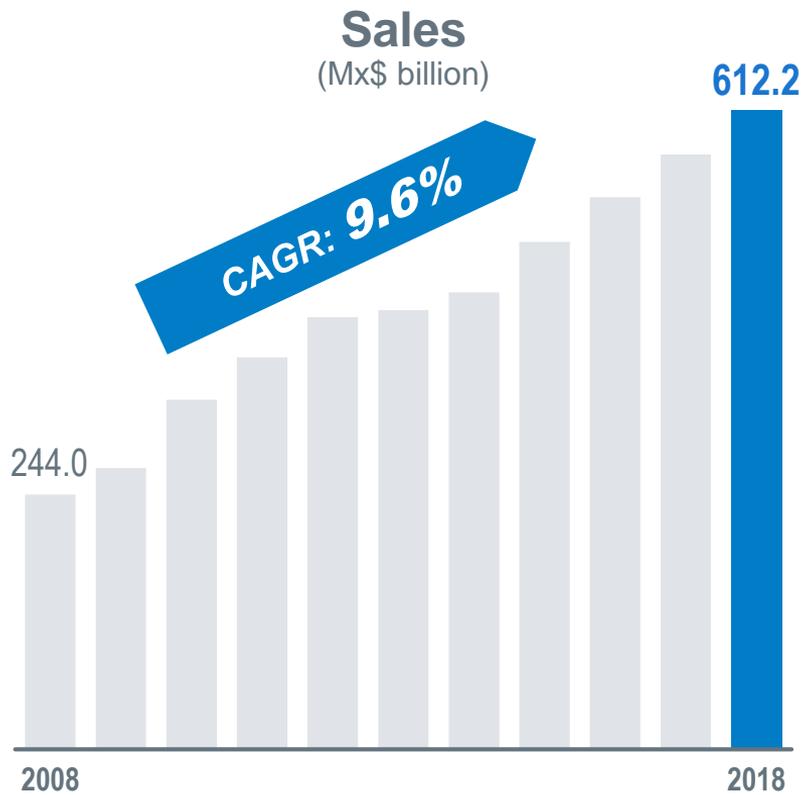


2015



Walmart de México y Centroamérica sells its bank to Inbursa

# Continuous profitable growth



# Growth across multiple formats

## Total Sales (Mx\$ billion)





# Walmex Today



# Walmex: Listed on the Mexican Stock Exchange

Wal-Mart Stores, Inc.

70%

30%



ADR: WMMVY OTCQX

Walmex 

- Market Cap: Mx\$ 907 bn<sup>1</sup>
- Weight on the MSE index: 6.4%<sup>2</sup>
- 3<sup>rd</sup> most traded stock on the MSE<sup>3</sup>

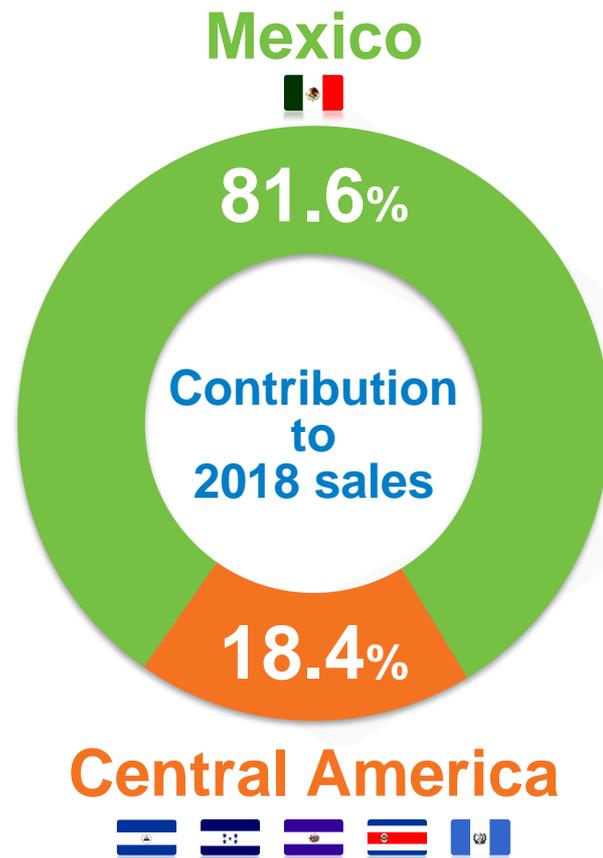


Mexican Stock Exchange  
Sustainable Index

# Company description

As of March 31, 2019

Revenues (Mx\$ billion)	624*
Units	3,259
Countries	6
Cities	648
Business formats	4
eCommerce sites	3
Distribution centers	26
Associates (thousand)	+235



# "Bodegas"

Basic general merchandise, food and household items at the best prices.



Value Driver: Price

% of 2018 Walmex sales	45.3
Customer target	C, D, E
Cities*	638
Operating units*	
– Mexico	1,917
– Central America	684

	SQ. FT. (average)	SKUs (average)	Units	Approach
"Bodegas"	44,130	32,000	522	Weekly shopping
Bodega Aurrera	12,490	11,200	510	Small towns
Discount	3,710	4,400	1,569	Fill-in trip



## Mama Lucha

She is the average Mexican housewife: she wants the best for her family, but faces a constant struggle (lucha in Spanish) to make ends meet.

She is Mexico's favorite luchadora, who fights against high prices together with Bodega Aurrera. She brings the lowest prices to all families.





### Value Drivers: Price and assortment



**% of 2018 Walmex sales** **27.8**

**SQ. FT. (average)** **79,650**

**SKUs** **90,000**

**Customer target** **A/B, C, D+**

**Cities\*** **92**

**Prototypes** **5**

### **Operating units\***

– Mexico **275**

– Central America **31**



## Carrito



Carrito is the perfect shopping partner. He knows our customer better than anyone and he understands what motivates her to shop.

Only Carrito can join, advise and listen to our customer in order to help her find everything she needs when she comes to Walmart.

Qualities: Friendly, curious, helpful, observer, good listener, fun, responsible, practical, intelligent, ally, accomplice.



Neighborhood supermarkets with outstanding fresh and food departments at reasonable prices.



Value Drivers: Quality, convenience and service



% of 2018 Walmex sales	6.4
SQ. FT. (average)	16,150
SKUs	30,000
Customer target	A, B, C
Cities*	45
Prototypes	2
<b>Operating units*</b>	
– Mexico	91
– Central America	98

# Local format branding



# Membership warehouse clubs focused on businesses and high income households.



Value Drivers: Price leader, volume, new and unique merchandise



% of 2018 Walmex sales	20.5
SQ. FT. (average)	76,750
SKUs	4,500
Customer target	A, B, C, D, Business
Cities*	86
Prototypes	4
Operating units*	
– Mexico	163

# Business Member

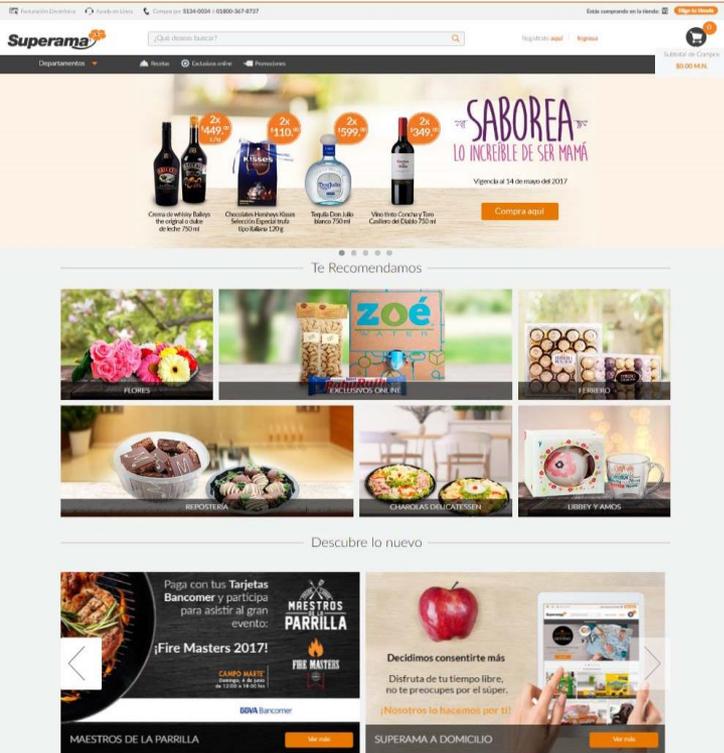


# Individual Member



# Superama.com.mx: online grocery sales leader

Web page



Delivery



Mobile Apps



Call Center

# Walmart.com.mx: online general merchandise

## Differentiated catalogue

Walmart.com.mx

PRECIOS BAJOS TODOS LOS DÍAS

12 MSI

Los más vendidos

Smartphone Motorola Moto X Style Negro \$6,999.00

Smartphone Samsung Galaxy S5 Mini 32 GB Gris \$3,990.00

TV Samsung 55" 1080 Full HD Smart TV LED \$10,999.00

Smartphone Asus Zenfone 3 Max 32 GB Gris \$3,999.00

Nuevo

Queso Panela Deslactosado

Linea blanca

Recreativos

Lantas

Celulares

Pantallas

Accesorios de moda

Computadoras

Videojuegos

Walmart

PRECIOS BAJOS TODOS LOS DÍAS

Más marcas y productos en Walmart.com.mx

## Delivery



## Categories

- Audio
- Auto & tires
- Baby & toddler
- Books
- Cell Phones
- Computers & tablets
- TV's & video
- Sports
- Consumer Appliances
- Electronics
- Furniture
- Cameras
- Home
- Musical Instruments
- Jewelry & accessories
- Toys
- Books
- Pets
- Health & Beauty
- Video Games
- Patio & Garden

# Walmart.com.mx: groceries and perishables

## Categories

- Meal Solution, grains & pasta, snacks
- Pharmacy, Health & Beauty
- Beverages, Wine & liquor
- Cleaning Supplies & Pets
- Frozen Food
- Produce
- Dairy, Eggs & Cheese
- Meat, Seafood & Poultry
- Baby & toddler
- Deli
- Bakery & Bread

Walmart.com.mx

¿Qué estás buscando?

Departamentos

Encuentra la edición especial **Gracias Mamá**, dedicada al amor más grande e infinito.

Ver productos

IMPORADOS Viaja a través del mundo con los sabores que traemos para ti.

• Limpieza y Mascotas

Limpieza y Mascotas

- Limpieza
- Lavanderías y lavavajillas
- Desechables
- Mascotas
- jerencia
- Digestión y Abastecimiento
- Accesorios para Cocina
- Resipientes y Oritaria

PRECIOS BAJOS TODOS LOS DÍAS

Compra ahora

Paquete de pollo para familia - Por kg

¡\$89!

Válido para pedir y entregar hasta el 10 de mayo de 2017. Precio final sujeto en la tienda de compra.

Walmart

¿Qué estás buscando?

Todo el sitio

Mi Cuenta

Departamentos

Great Value Descubre la gran variedad de productos. Por su gran calidad y precio ¡Qué gran compra!

Compra ahora

Extra Special Alimentos Gourmet y Especializados

Compra ahora

Aurrera Alimentos básicos, procesados y quesitos básicos

Compra ahora

Productos de perfumería para bebés, Luffas, esponjas y paños

Compra ahora

Alimentos y accesorios para mascotas, premios y collares

Compra ahora

Marketside Alimentos gourmet

Compra ahora

Productos para el cuidado del auto

Compra ahora

Salud y belleza

Compra ahora

walmart.com.mx

Quiénes somos

Directorio de tiendas

Aviso de privacidad

Aviso de privacidad de tienda

Facturación electrónica

Mapa del sitio

Servicio a domicilio

Tarimas y cobertores

Beneficios

Formas de pago

Tempos de entrega

Devoluciones

Servicios

Encuentra su Tienda

Ayuda

Chat

Contactanos

Preguntas Frecuentes

Más pedidos

Info Corporativa

Bolsa de trabajo

Proveedores

Serra Club México

Suburbia México

Bodega Aurrera

Supercena

Walmart México y Centroamérica

Departamentos

- Despensa
- Cerveza, Vinos y Licores
- Lácteos
- Congelados
- Frutas y Verduras
- Limpieza y Mascotas
- Carnes y Pescados
- Bebés
- Salchichonería
- Farmacia
- Panadería y Tortillería
- Higiene y Belleza
- Jugos y Bebidas
- Electrónicos

Walmart México y Centroamérica



# Compra en línea sams.com.mx

Descarga la App



Te da más

Regalos para mamá

Porque un día no basta para celebrar a mamá 13 días de precios exclusivos

Lanzamiento en línea Motocicletas

Haste Socio o Renueva en Línea \$50 pesos en el precio de tu Membresía asociado con cualquier tarjeta de crédito o débito. Hasta \$10. 01 800 737 23 45

Centro de Negocios

Motivos para ahorrar en grande

RECOMENDADOS

HP 24" S20 Compaq L4 4 GB RAM 320 GB	Papelera JVC 22" Plegable LED HD Smart TV	Grupo Ring Design Sábila con Paredes K3323623	Gran Quadcopter Tumbler Con AISI QDR 1834X	Refrigerador Multi-Top Mount 24 Pies Cubicos	Estimador Ambiental Monitor Pluviómetro
\$ 6,998.99	\$ 3,998.99	\$ 5,999.00	\$ 9,999.00	\$ 9,999.00	\$ 2,798.99

DESTACADOS

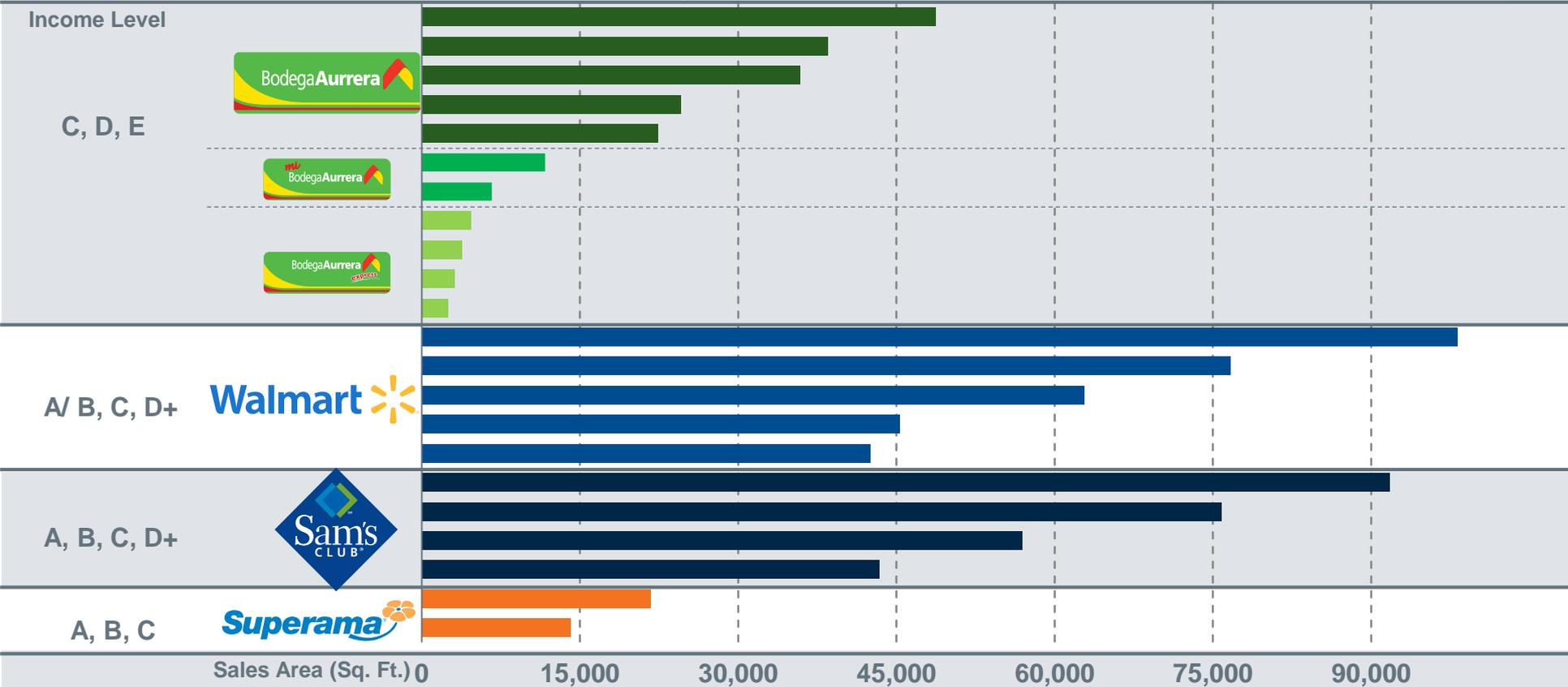
Organizate al máximo

En esta temporada de lluvias

Encuentra las mejores Electrodomésticos

# Flexible multiformat operation

## Flexible Prototypes



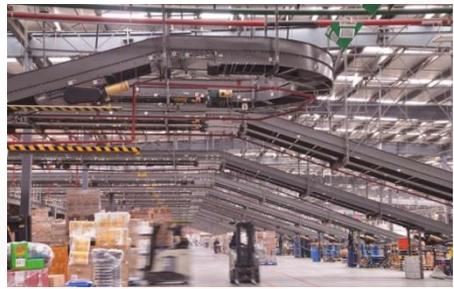
# Regional store presence

648 Cities with Walmex presence



# Efficient distribution network

26 Distribution Centers





# Financial Information



# Walmex: 1Q19 Results

<i>(MX\$ Millions)</i>	1Q19*		1Q18		Variation
	\$	%	\$	%	%
<b>Total revenues</b>	151,734	100.0	145,054	100.0	4.6
<b>Gross margin</b>	34,497	22.7	33,272	22.9	3.7
<b>General expenses</b>	22,228	14.6	22,032	15.2	0.9
<b>Earnings before other income, net</b>	12,269	8.1	11,240	7.7	9.1
<b>Other income, net</b>	70	0.0	94	0.1	(25.0)
<b>Operating income</b>	12,339	8.1	11,334	7.8	8.9
<b>EBITDA</b>	16,462	10.8	14,378	9.9	14.5
<b>Income from continuing operations</b>	8,664	5.7	8,349	5.8	3.8

# Mexico: 1Q19 Results

	1Q19*		1Q18		Variation
	\$	%	\$	%	%
<i>(MX\$ Millions)</i>					
<b>Total revenues</b>	124,710	100.0	117,921	100.0	5.8
<b>Gross margin</b>	28,003	22.5	26,762	22.7	4.6
<b>General expenses</b>	17,483	14.0	17,203	14.6	1.6
<b>Earnings before other income, net</b>	10,520	8.4	9,559	8.1	10.0
<b>Other income, net</b>	12	0.0	82	0.1	(84.8)
<b>Operating income</b>	10,532	8.4	9,641	8.2	9.2
<b>EBITDA</b>	13,734	11.0	11,986	10.2	14.6

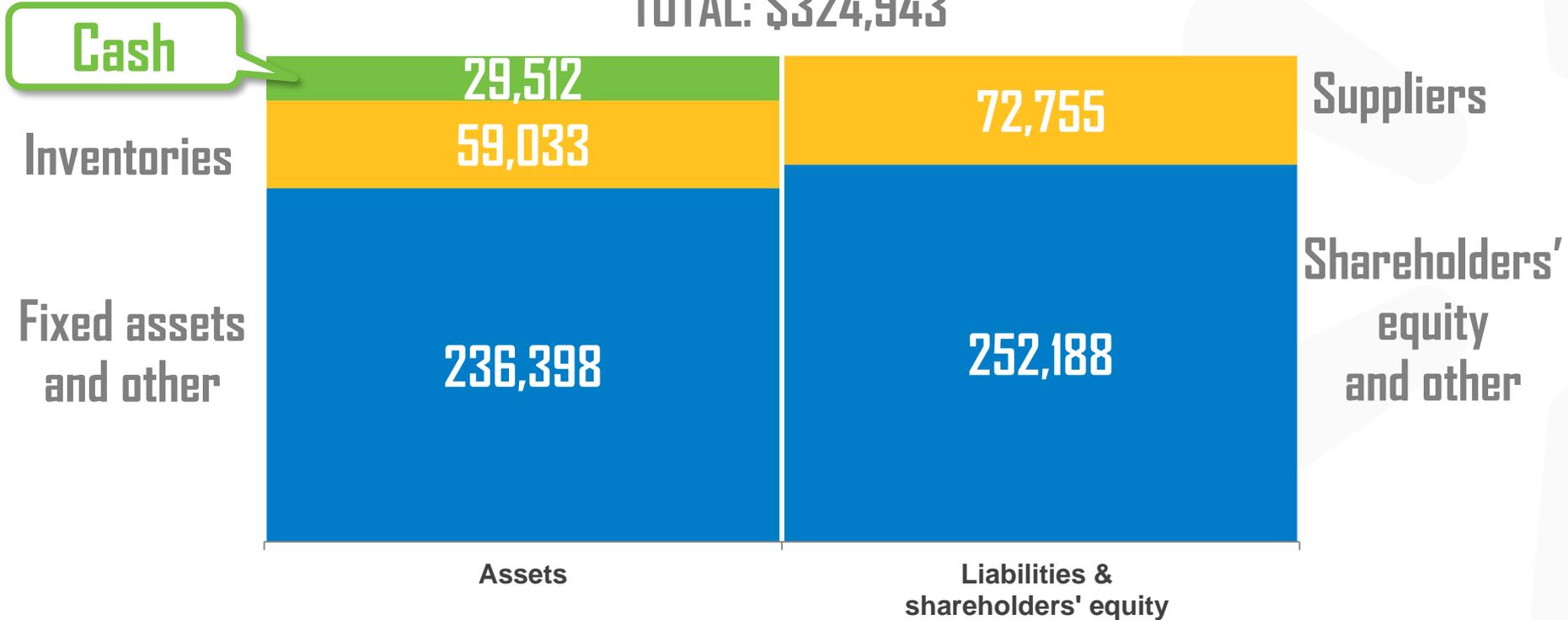
# Central America: 1Q19 Results

<i>(MX\$ Millions)</i>	1Q19*		1Q18		Variation (%)	
	\$	%	\$	%	Peso terms	On a constant currency basis
<b>Total revenues</b>	31,536	100.0	30,495	100.0	3.4	3.6
<b>Gross margin</b>	7,599	24.1	7,392	24.2	2.8	3.0
<b>General expenses</b>	5,309	16.8	5,301	17.4	0.2	0.3
<b>Earnings before other income, net</b>	2,290	7.3	2,091	6.9	9.5	9.7
<b>Other income, net</b>	(46)	(0.1)	(28)	(0.1)	63.1	60.9
<b>Operating income</b>	2,244	7.1	2,063	6.8	8.8	9.0
<b>EBITDA</b>	2,980	9.4	2,725	8.9	9.3	9.5

# Financial strength

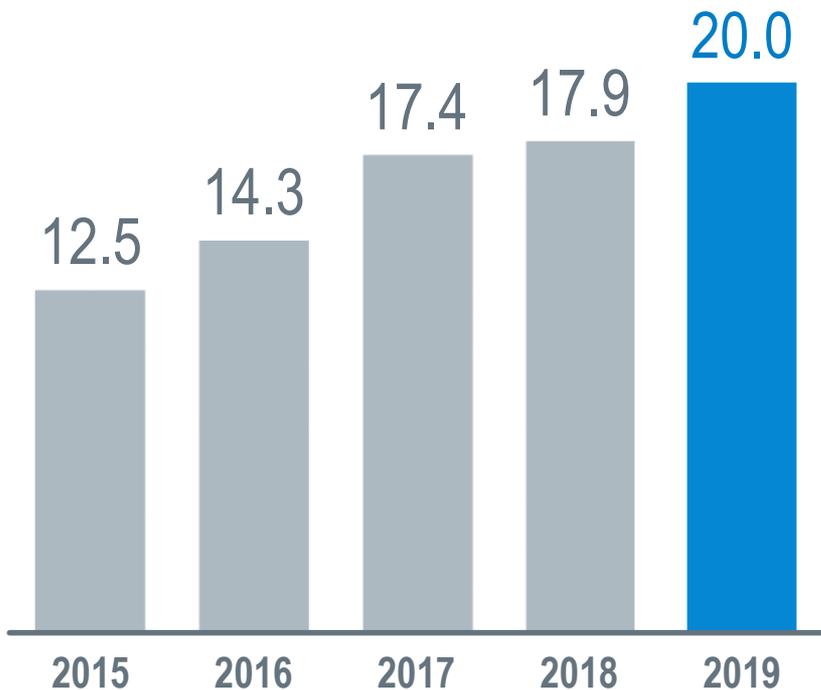
Balance sheet statement  
(March 31st 2019 – MX\$ Million)

TOTAL: \$324,943

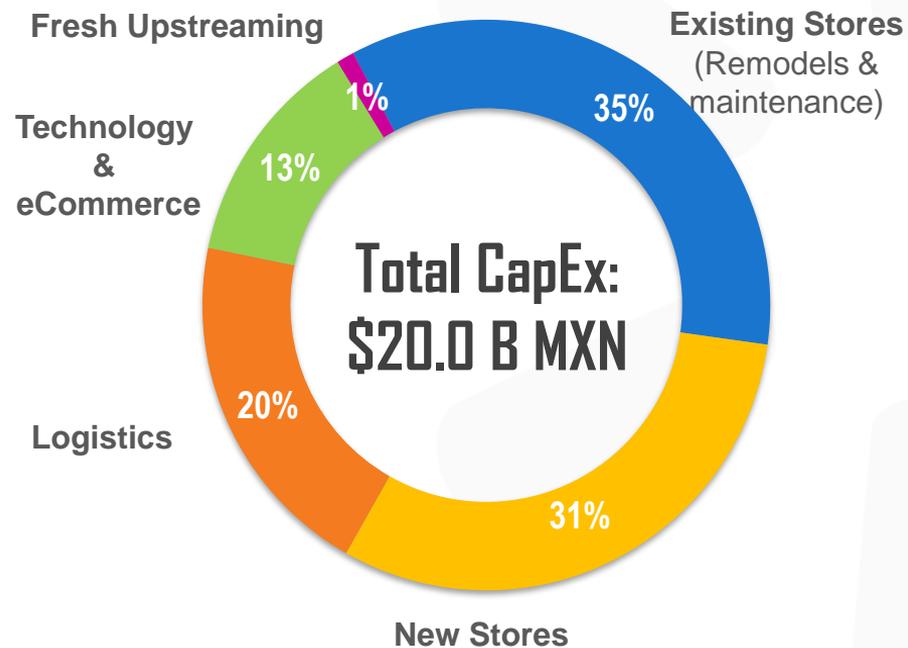


# Growth Program 2019

(Mx\$ billion)



## CAPEX (% Total)





# Competitors



# Selected self-service competitors

Listed on the MSE

Revenues\*  
(Mx\$ billion)



153.2



123.9



19.8

Private



# Informal market remains a large competitor



# Associates

2018 highlights:



01

MX\$53 million invested in training

02

22,996 promoted associates

03

36% of management positions are filled by women



# Community support

2018 highlights:

01

+1,261 million pesos were channeled through social impact programs

02

12,809 small producers developed

03

Donations for over 34,120 food tons benefiting +1M people per month

04

93,405 volunteer participations



# Environmental commitment and success

2018 highlights:

01

MX\$ 1,040 million investment in sustainability initiatives

02

We reduced our emissions by 5% versus 2015

03

1,111 water treatment plants

04

84% of our units are supplied by renewable energy

05

The zero waste objective:

74% progress in Mexico & 50% in Central America



# Walmex resources

## Investor Relations:

[www.walmex.mx](http://www.walmex.mx)

## Corporate:

[www.walmartmexico.com.mx](http://www.walmartmexico.com.mx)

## Online & sales:

[www.superama.com.mx](http://www.superama.com.mx)

[www.walmart.com.mx](http://www.walmart.com.mx)

[www.sams.com.mx](http://www.sams.com.mx)